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C O N F I D E N T I A L SECTION 01 OF 04 LJUBLJANA 000611

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DEPARTMENT FOR EUR/NCE, OSD FOR MSADOWSKA

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TAGS: [MARR](#) [MOPS](#) [NATO](#) [PGOV](#) [PREL](#) [PTER](#) [SI](#)

SUBJECT: SCENESETTER: SECDEF'S SEPTEMBER 27-29 TRIP TO  
SLOVENIA

REF: FROM COM FOR SECRETARY RUMSFELD

Classified By: COM Thomas B. Robertson for Reasons 1.4 (B) and (D)

¶1. (SBU) SUMMARY. Mr. Secretary, we welcome your visit to Slovenia for the NATO Defense Ministerial in Portoroz, September 27-29, 2006. Since your November 2002 visit, Slovenia has assumed greater responsibility for the projection of security and promotion of democracy abroad and has emerged as a close ally and a capable partner in the fight against terrorism. Your bilateral discussions with Slovenian Prime Minister Janez Jansa and Minister of Defense Karl Erjavec will provide an excellent opportunity to extend the momentum created by Prime Minister Jansa's July 10 visit to the White House, to get a progress report on the transformation of the Slovenian Armed Forces (SAF), emphasize continued commitment to meeting the NATO Force Goals, and shore up Slovenia's role as a reliable, albeit small, NATO ally. Our goal for your visit is to push Slovenia to build on its formidable progress and ensure that it has a strong voice in promoting American interests in Europe and the world as it prepares to take the EU presidency in January 2008.  
END SUMMARY.

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International Engagement - Slovenia's Contributions  
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¶2. (U) Slovenia has deployed forces in support of every NATO mission since its accession. It has 4 trainers in Iraq, 50 troops in Afghanistan, has plans to dramatically increase its presence in Kosovo from 86 to over 600 troops within the next year, and will contribute 10 to 12 troops to the UNIFIL mission. While the numbers may appear modest, Slovenian troops participate in eight international operations, and approximately 1% of Slovenia's military force will be deployed abroad by the end of next year (see septel for more detailed information on Slovenia's international operations).

¶3. (U) Slovenia is leading the way in EU integration among the countries of Central Europe. It will be the first to join the eurozone (in January 2007) and the first to hold the Presidency of the European Union (in January 2008). Slovenia has held a series of leadership roles in international organizations recently, serving as Chairman of the OSCE in 2005 and taking the Chair of the IAEA Board of Governors for 2006-2007. It is also working to be a constructive neighbor closer to home through initiatives like the Center for European Perspective, an NGO established by the GoS that is

part of a long-range effort to bring all the former Yugoslav countries into the EU.

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Bilateral Meeting with Prime Minister Jansa  
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¶4. (U) Prime Minister Janez Jansa (pronounced YAN-sha) has twice before served as Slovenia,s Minister of Defense (from 1990 to 1994 and again in 2000.)

¶5. (SBU) PM Jansa has played a critical role for this young nation, from rallying Slovenian forces to face down the Yugoslav National Army in 1991 to now leading it through its first years as a member of NATO and the EU. He began his political career in the 1980's as a dissident and was at the center of the struggle for democracy. His activities landed him in detention and prison for six months, including a period in solitary confinement. He helped to found the first opposition political party, the Slovene Democratic Alliance. In 1990 he was elected to Parliament, and in May of that year took his first term as Minister of Defense. During his time as Defense Minister, Jansa presided over the transformation of Slovenia,s Territorial Defense Force into an independent military and subsequently spearheaded Slovenia's entry into NATO,s Partnership for Peace. In 1994 Jansa left government and went into the political opposition. Ten years later his party won a majority in Parliamentary elections and he was named Prime Minister.

¶6. (SBU) Jansa,s tenure has emphasized the transatlantic partnership (see below). His past experience as MoD is evident and Jansa maintains a sharp interest in security and

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defense issues. Jansa will want to hear your thoughts on the future shape of NATO and the transatlantic relationship - with a view to Slovenia's 2008 EU presidency. You will find him and his administration much more in sync with what we are trying to accomplish around the world than previous Slovenian administrations.

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Slovenia,s Foreign Policy Priorities: Emphasizing the Transatlantic Partnership  
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¶7. (U) Since forming his government nearly two years ago, Jansa has advanced his goal of strengthening ties with the United States. His July 10 visit to Washington was the culmination of 18 months of re-aligning the domestic and foreign policy of Slovenia towards a more expansive view that has Slovenia playing an active role in NATO and other international organizations.

¶8. (U) Jansa has continued to develop as a strong and skillful leader on foreign policy. This past January, he decided to deploy four Slovenian military trainers to Iraq despite stiff resistance from the press and public, and some reluctance from his coalition. He was unflappable in the face of intense media criticism and made a convincing case for involvement based on Slovenia's obligations as a member of NATO and the need for Slovenia to help promote security and stability in Iraq. In addition, the GOS has contributed 300,000 Euro to the NTM-I trust fund. We should thank Jansa again, as the President did, for his leadership and courage in bucking the European trend in Iraq and encourage him to continue supporting Slovenia's active participation in NATO.

¶9. (U) Slovenia has also made a solid contribution to our efforts in Afghanistan and has had troops deployed there since March 2003, with a current force level of 54. While we do not expect the GOS to offer more in the way of military support, it has repeatedly expressed interest in becoming involved in civil reconstruction once the security situation improves.

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Priority #1 - Western Balkans  
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¶10. (U) Despite its increasing engagement outside of Europe, Slovenia's primary strategic focus has been and will remain the Western Balkans. Providing forces for KFOR and the EU mission in Bosnia is its priority for troop deployment outside of Slovenia. It has backed this up with 85 troops in Kosovo and 83 in Bosnia today, and commitments to increase its presence to approximately 600 troops in Kosovo in 2007. Foreign Minister Rupel is taking an active role in a special EU planning team in Brussels that will shape the future role of the EU in Kosovo once status has been determined.

¶11. (SBU) Over the next 15 months, Jansa and his government will be preparing to take on the monumental job of the EU presidency in the first six months of 2008. The role will move a host of complex issues to the front burner. While Slovenia's initial goals for the Presidency appear to complement our own interests, there will be a strong pull from Brussels for resources and attention and the temptation will be for Slovenia to adopt a stance as "mediator" on issues of importance to us. In the coming months we will more actively engage the GOS on our priorities. Drawing Slovenia into close partnerships on issues from NATO peace-keeping missions to human rights initiatives in the UN and the building of civil society in emerging democracies and regions recovering from war and other disasters will ensure an EU presidency in 2008 that understands and appreciates U.S. priorities in the transatlantic relationship and around the globe.

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Bilateral Meeting with Minister of Defense Karl Erjavec  
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¶12. (C) You will meet with Minister of Defense Karl Erjavec (er-YA-vets). You last met Erjavec in December 2005 on the margins of the Southeastern European Defense Ministerial in

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Washington. He is the head of the Slovenian pensioner's party (DeSuS), which holds the smallest number of seats in the current National Assembly. Erjavec is one of the weaker members of the ruling government and has struggled through a variety of embarrassing missteps at the MoD over the past few months, including the controversial tender for purchase of 8x8 armored vehicles, a budget fight, and sexual harassment allegations within the ranks (septel.)

¶13. (SBU) Erjavec will want to talk about the success of the SAF's transformation efforts and offer a positive progress report on how Slovenia will meet its NATO Force Goals despite delaying its commitment to increase its defense budget to 2% of GDP by 2008. Time permitting, you should push, and Erjavec will be expecting to discuss, a number of simmering topics of bilateral interest outlined below, including defense spending commitments, recent and future defense acquisitions, and the transparency of the Slovenian acquisition process.

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POL-MIL HOT TOPICS  
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¶14. (U) MoD BUDGET COMMITMENT. The GoS's most recent budget plans for 2007 and 2008 include a defense budget of 1.65% of Gross Domestic Product (GDP) for 2007 and 1.81% of GDP for 2008, instead of the 2% of GDP originally planned. While the MoD budget will continue to increase, this decision will delay the GoS from hitting the NATO 2% of GDP target until 2009 or later. The move was based more on the GoS's need to trim its budget as a part of an economic and tax reform plan than on lack of political will to meet the 2% goal. While PM

Jansa and MoD Erjavec will emphasize that the budget shortfall will not impact their commitment to meet NATO Force Goals, they should be reminded of their commitment to hit 2% of GDP for military spending and its symbolic importance in showing Slovenia,s long-term commitment to NATO.

¶15. (C) AIR POLICING. Slovenia,s air defense needs and the desire of senior military officials for acquisition of fighter jets continues to create a buzz around the MoD. Chief of Defense (CHOD) Gutman initiated a discussion on air policing during my courtesy call in July 2006, and gave a strong impression that the SAF was seriously considering purchasing fighters. Subsequent conversations between Embassy personnel and MoD officials confirm that there is an extremely strong interest within the GoS. PM Jansa privately tells us this will not happen: it is too expensive, and there is no need for it, despite the fact that some in the SAF would like having fighters. PM Jansa may talk about Slovenia,s need to resolve its air defense issues while recognizing that it should be done in a way that works in tandem with Slovenia's commitments to the NATO Force Goals. (COMMENT: Slovenia's airspace is technically policed through an agreement with Italy. However, only one token flight has been made - the day after Slovenia became a NATO member in ¶2004. The GoS continues to look for a more satisfactory long-term arrangement for its air defense due to political resistance to having Italy do it. On the other hand CHOD Gutman has made clear that SAF interest in fighters is due to even greater political resistance to future potential NATO members in the region, namely Croatia and Serbia, doing the job. END COMMENT.)

¶16. (SBU) TRANSPORT AIRCRAFT. Slovenia plans to acquire two C27 or CASA 295 transport aircraft for logistics support of their deployed troops. The intent is to join the U.S. purchase of the Joint Cargo Aircraft. Slovenia also signed on for a small (60 hours) commitment to the Multinational C-17 Airlift Initiative. Though there has been talk over the past year about SAF transport capabilities and the possible purchase of a C-130, the Chief of Defense has said that Slovenia is not currently looking to purchase C-130 transport aircraft, and it is content with the SAF's ability to utilize NATO transport aircraft when necessary. With transport aircraft a part of Slovenia,s NATO Force Goals, this is an area that Slovenia should be pushed to emphasize.

¶17. (C) DEFENSE ACQUISITIONS. MoD Erjavec spent much of the summer of 2006 defending a controversial tender decision to procure 136 8x8 armored wheeled vehicles from Finnish defense

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contractor Patria Vehicles for USD 330 million rather than favoring the bid from Slovenian defense company Sistemska Tehnika (which is partially owned by a subsidiary of a subsidiary of General Dynamics Corporation.) While the GoS defends the decision with a polished set of talking points (saying that the assessment of the bids was fair and that Patria made the better offer in terms of technology, finances, and benefit to the Slovenian economy), the issue continues to simmer in the press with allegations that the contract will cost much more and that the decision was made improperly. This is not a dead issue and, rumor has it, might cost Erjavec his job. Post is closely following the MoD,s current request for bids to provide a tactical engagement simulation system as part of a broader combat training center project. The two competitors are U.S.-based Cubic Corporation and the Swedish firm Saab. Post will strongly advocate for the MoD to consider the benefits of purchasing from Cubic (via Foreign Military Sales) in order to ensure future training interoperability with U.S. forces. Given the unfavorable decision on the 8x8 and the pervading sense that Slovenian defense purchases are not transparent, we will continue to emphasize the need for the procurement process to be fair and transparent, while highlighting the benefits of US made defense equipment.

¶18. (U) NATO FORCE GOALS. Shortly after joining NATO Slovenia accepted or partially accepted 44 NATO Force Goals (NFGs), rejecting none. Slovenia's primary NFGs in 2004 included an infantry battalion to be provided in rotations for up to six months by 2012, a Nuclear, Biological, and Chemical (NBC) battalion for the NATO Reaction Force by 2009, and several combat support and combat service support assets.

In March 2006, Slovenia received 54 additional NATO Force Goals & Updates. It accepted or partially accepted 53 of these and rejected one (Force Protection for Deployed Air Units.) With the additional 2006 NFG Updates, Slovenia is being asked to further increase the number of deployable combat and combat support units. A new high readiness reconnaissance company is planned by the end of 2012 and a military police company in 2008. Slovenia is also being asked to provide more deployable intelligence, surveillance, target acquisition, and reconnaissance (ISTAR) assets. In terms of acquisitions, NATO is asking Slovenia to procure 3 additional helicopters and two light transport aircraft by 2011. Slovenia asserts that it is on track to meet all, or almost all, of its NFGs even though the commitment to spend 2% of GDP on defense is slipping. We should continue to emphasize the necessity of meeting the NFGs in the agreed upon timeframe.

¶19. (U) SAF CAVEATS ON PARTICIPATION IN INTERNATIONAL OPERATIONS. Currently, internationally deployed members of the Slovenian Armed Forces operate under a law prohibiting them from conducting crowd and riot control (their activities are restricted to traffic control.) Representatives of the GoS indicated at the April 2006 Bilateral Pol/Mil talks in Ljubljana that the GOS intends to pass legislation by the end of 2006 that will eliminate almost all of the national caveats for participation in peacekeeping operations, enabling SAF in Afghanistan to perform the full range of missions.

¶20. (U) Mr. Secretary, much has changed since your November 2002 visit. The GoS has made dramatic progress in reorienting Slovenian foreign policy towards NATO and the EU, and becoming a true partner in promoting security and democracy abroad. With Slovenia poised to take the EU presidency in January 2008, now is the time to engage this friendly government and work with it to promote American interests in Europe and the world. I look forward to welcoming you in Slovenia next week.  
ROBERTSON